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July 15, 2014

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZATION FOR THE ACQUISITION AND INSTALLATION OF AN  
IMAGE-GUIDED RADIATION THERAPY (IGRT) SOLUTION AND ON-  
BOARD IMAGING SYSTEM AT LAC+USC MEDICAL CENTER  
(FIRST DISTRICT)  
(3 VOTES)**

**SUBJECT**

Authorize the County Purchasing Agent to proceed with the sole source acquisition of fixed medical equipment, including items with a purchase cost in excess of \$250,000, for the Department of Health Services' LAC+USC Medical Center Radiation Oncology Department.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Authorize the Internal Services Department (ISD), as the County's Purchasing Agent, to proceed with the acquisition and installation of an Image-Guided Radiation Therapy (IGRT) Solution and On-Board Imaging System as an added enhancement to an existing radiotherapy system for the Department of Health Services' (DHS) LAC+USC Medical Center (LAC+USC MC), as a turn-key project, that will include any necessary room alterations to accommodate the new equipment, at an estimated cost of \$408,064.
2. Find that this project is exempt from the California Environmental Quality Act (CEQA).

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended actions will enable DHS to acquire on a sole source basis and install a new Image-Guided Radiation Therapy (IGRT) Solution and On-Board Imaging System as an added enhancement to an existing radiotherapy system at LAC+USC Medical Center.

The basis for the sole source acquisition of this equipment is due to the fact that Varian Medical Systems is the original equipment manufacturer and the sole distributor of the existing radiotherapy system at LAC+USC MC and is not compatible with other manufacturers IGRT and On-Board Imaging Systems.

The new system will incorporate advanced radiation treatment technology with the capacity to deliver improved tumor targeting using high resolution, low dose digital imaging in the treatment room. This is a key component to allow delivery of Stereotactic Ablative Body Radiotherapy which is a core modality in radiation treatment and not currently available at any DHS facility. The project is anticipated to be completed within 30 days following Board approval. Attachment A provides a project schedule and budget summary.

## **Implementation of Strategic Plan Goals**

The recommended action will support Goal 1, Operational Effectiveness/Fiscal Sustainability, of the County's Strategic Plan.

## **FISCAL IMPACT/FINANCING**

The estimated acquisition cost of this equipment and installation is \$339,095 and will be financed through the Los Angeles County Capital Asset Leasing Corporation (LAC-CAL) over a five-year period. The total financed cost is \$408,064 which includes the purchase and installation cost of \$339,095 and financing costs of \$68,969. The LAC-CAL purchase authorization and funding for the lease payments will be included in the Fiscal Year 2014-15 Adopted Budget. Funding to cover the remaining years of LAC-CAL lease costs will be requested in future fiscal years.

The Image-Guided Radiation Therapy (IGRT) Solution and On-Board Imaging System will have a manufacturer's warranty for the first year. DHS plans to add this equipment to the existing Equipment Maintenance and Repair Services Agreement with Varian Medical Systems when the manufacturer's warranty expires at an estimated annual cost of \$55,000. The estimated annual maintenance and repair costs will be requested in future fiscal years as needed.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On October 16, 2001, the Board approved the classification categories for fixed assets and new requirements for major fixed asset (now referred to as capital asset) acquisitions requiring County departments to obtain Board approval to purchase or finance equipment with a unit cost of \$250,000, or greater, prior to submitting their requisitions to ISD.

The labor component associated with the installation and any necessary room alterations to accommodate the equipment may exceed the authority of the Purchasing Agent, Board approval is also required to move forward with this aspect of the project.

**ENVIRONMENTAL DOCUMENTATION**

The installation of this equipment is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301(a) because the project involves the repair and minor alteration of an existing facility involving no or negligible expansion of existing use.

**CONTRACTING PROCESS**

The acquisition of equipment falls under the statutory authority of the County Purchasing Agent. The purchase will be requisitioned through and accomplished by the Purchasing Agent in accordance with the County's purchasing policies and procedures established by ISD.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommended actions will allow DHS' LAC+USC Medical Center to provide radiation treatment in a more efficient and convenient manner, improve patient outcomes, and increase patient flow.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.  
Director

MHK:ls

Enclosures

c: Chief Executive Office  
County Counsel  
Internal Services Department  
Executive Office, Board of Supervisors

**ACQUISITION AND INSTALLATION OF AN IMAGE-GUIDED RADIATION  
THERAPY (IGRT) SOLUTION AND ON-BOARD IMAGING SYSTEM AT  
LAC+USC MEDICAL CENTER**

**I. PROJECT SCHEDULE**

<b>Project Activity</b>	<b>Scheduled Completion Date</b>
Proposed Completion	30 days following Board approval

**II. BUDGET SUMMARY**

<b>Budget Category</b>	<b>Proposed Budget</b>	<b>Sales Tax 9%</b>	<b>Subtotal</b>	<b>LAC-CAL Financing</b>	<b>Total</b>
Equipment	\$291,169	\$26,205	\$317,374	\$64,551	<b>\$381,925</b>
Room Renovation/Installation	\$21,721	\$0	\$21,721	\$4,418	<b>\$26,139</b>
Total					<b>\$408,064</b>